

MEDIA RELEASE

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CCCS Publishes Guidelines on Price Transparency

1. The Competition and Consumer Commission of Singapore (“CCCS”) has published its Guidelines on Price Transparency (“**Guidelines**”). The Guidelines set out how CCCS will interpret and give effect to the Consumer Protection (Fair Trading) Act (“**CPFTA**”) in relation to the display/advertisement of prices and other pricing practices such as time-limited discounts, free offers and price comparisons.
2. The Guidelines will come into effect on 1 November 2020 and will apply to all suppliers,¹ whether operating online or in physical stores.

Guidelines on Price Transparency

3. Transparent and accurate prices allow consumers to make informed purchasing decisions which are essential for a well-functioning market. The Guidelines examine common pricing practices that may mislead consumers and infringe the CPFTA, and include actions that suppliers should take to ensure that prices and their accompanying terms and conditions are accurate and communicated clearly. The Guidelines also set out the good practices that suppliers are encouraged to adopt to help minimise potential disputes with consumers².
4. The Guidelines cover four key pricing practices – drip pricing, price comparison, discounts, and use of the term “free”.
 - a. Drip pricing³

Suppliers should ensure that any unavoidable or mandatory charges (e.g. taxes, surcharges, service fees, etc.) are included in the total headline price. Where such charges cannot be reasonably calculated in advance, suppliers should disclose the existence of such charges in a clear and prominent manner together with the headline price. The disclosure should also include any subsequent fees that a supplier or third party may impose on a consumer.

¹ The definition of “supplier” can be found in section 2(1) of the CPFTA.

² Under section 18A(1) of the CPFTA, in court proceedings between a supplier and a consumer in relation to a consumer transaction, the supplier bears the burden of proving that he/she has complied with the requirements of the CPFTA and its regulations.

³ Displaying a product/service at a lower headline price than the final price by omitting certain mandatory or pre-ticked optional add-ons.

Suppliers are also encouraged to adopt an “opt-in” or “opt-neutral” approach to bring consumers’ attention to optional add-ons. This enables consumers to actively check/tick a box to select the specific add-ons or options they want.

b. Price comparison⁴

Suppliers should ensure comparisons made with other suppliers’ prices are not false or misleading. To reflect prices truthfully, suppliers should conduct their research regularly and compare only prices of goods or services that are accepted to be similar or equivalent by consumers or trade norms. Offering to provide refunds does not absolve the suppliers from the need to conduct necessary checks/research and ensure that any price representations made are not false or misleading.

Suppliers are encouraged to check and update reference prices used for price comparison regularly and to keep records of them so as to be able to prove that the price comparisons made are not false or misleading.

c. Discounts⁵

When suppliers offer a discount or make a comparison with its usual/previous price (e.g. through strikethrough pricing) to represent a price benefit, they should ensure the discount or price benefit offered is genuine and provide a valid basis for the discount or comparison, so that consumers are not misled by the savings they may achieve.

Where it is a time-limited discount, suppliers should state the time period clearly and accurately to avoid misleading consumers. Suppliers are also encouraged to keep records of past sales and prices to prove that the past prices and discounts given are genuine.

d. Use of the term “free”⁶

Suppliers should ensure any representation that the price of a good or service is \$0 or “free” is not false or misleading. Any qualifiers, subsequent/deferred charges, and key terms and conditions imposed on consumers as a result of their acceptance of the good or service should be stated clearly and prominently together with the “free” representation.

In the case of free trials, suppliers are also encouraged to notify consumers before the end of the trial period and provide consumers with clear information on any subsequent chargeable fees as well as the cancellation process.

5. The Guidelines were finalised after considering the responses garnered from a public consultation exercise. A total of 26 responses were received from 17 individuals, and 9

⁴ Comparing prices with competitors to reflect a competitive price or price advantage offered by a supplier.

⁵ Offering a price benefit for a good/service in comparison to its usual price.

⁶ Typically offered to entice consumers to try the product/service and eventually buy it.

organisations and businesses. An infographic summary of the Guidelines can be found in Annex A.

6. CCCS's Chief Executive, Ms. Sia Aik Kor said, "These Guidelines aim to give suppliers greater clarity on how to comply with the CPFTA. Suppliers should ensure that their prices are represented accurately and communicated clearly and prominently so that consumers can make informed choices and shop confidently. Suppliers also stand to gain as fair trading practices can go a long way in building a solid reputation as a trusted trader. In short, the Guidelines help to build a credible marketplace."
7. The full Guidelines are available on CCCS's [website](#). CCCS will work with relevant partners such as the Consumers Association of Singapore ("CASE") and trade associations to reach out to suppliers. CCCS will continue to monitor the conduct of suppliers and will not hesitate to take action against errant suppliers who persist in unfair trade practices.
8. Consumers who encounter unfair practices can approach CASE for assistance. For more information, please visit www.case.org.sg or call 6100 0315.

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Annex A – Infographics: Guidelines on Price Transparency

(Please refer to PDF file appended separately)

About the Competition and Consumer Commission of Singapore

The Competition and Consumer Commission of Singapore (“CCCS”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act (Cap. 50B) which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

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